

**BEFORE THE COMMISSIONER OF SECURITIES AND INSURANCE
OFFICE OF THE STATE AUDITOR
STATE OF MONTANA**

IN THE MATTER OF:)	CASE NO.: INS-2008-27
)	
MONTANA FARMERS UNION)	
INSURANCE AGENCY, INC.)	FINDINGS OF FACT,
300 River Drive North)	CONCLUSIONS OF LAW AND
Great Falls, MT 59403)	FINAL AGENCY DECISION
)	
NORTHSTAR INSURANCE GROUP, LLC)	
300 River Drive North)	
Great Falls, MT 59403)	
)	
LEBARON & CARROLL, CDI)	
1350 East Southern)	
Mesa. AZ 85204)	
)	
WESTERNWORLD FINANCIAL RISK)	
MANAGEMENT, LLC, POLARIS)	
INTERNATIONAL INSURANCE)	
COMPANY LTD)	
2118 Central SE, #116)	
Albuquerque, NM 87106)	
)	
DESHAW INSURANCE AGENCY)	
LYLE DESHAW, individually and in his)	
capacity as an insurance producer and)	
agency)	
)	
JOHN or JANE DOES 1-5,)	
)	
Respondents.)	

The Commissioner of Securities and Insurance and Securities, Office of the State Auditor, (Commissioner) having fully reviewed and considered the entire record in the above-captioned matter and the relevant law, issues the following:

PROCEDURAL HISTORY AND COMPOSITION OF RECORD

1. The Insurance Department of the State Auditor's Office (Department) issued a Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing (Notice) to the Respondents on or about December 4, 2008.
2. Respondents Lyle DeShaw and DeShaw Agency entered into a Consent Agreement with the Department on August 20, 2009.
3. Respondent LeBaron & Carroll, CDI entered into a Consent Agreement with the Department on October 1, 2009.
4. Respondent Montana Farmers Union Insurance Agency, Inc. (MFUIA) entered into a Consent Agreement with the Department on October 6, 2009.
5. Respondents Westernworld Financial Risk Management, LLC (Westernworld) and Polaris International Insurance Company, Ltd. (Polaris) were served a copy of the Notice by certified mail on December 8, 2008. Respondents Westernworld and Polaris did not answer or otherwise respond.
6. On June 25, 2009, the Department filed a motion with the Commissioner to enter the default of Respondents Westernworld and Polaris.
7. On October 8, 2009, the Department filed a motion to dismiss the proceedings against Respondents MFUIA, DeShaw and DeShaw Agency, LeBaron, and Northstar on the grounds that MFUIA, DeShaw and DeShaw Agency, and LeBaron had reached Consent Agreements with the Department and that Northstar had terminated its corporate existence.
8. On October 21, 2009, the Department filed Proposed Findings of Fact, Conclusions of Law and Order in Support of Default Motion Re: Westernworld and Polaris and

an Affidavit of Neil Brunett in Support of Default Re: Westernworld and Polaris with the Commissioner.

9. On March 3, 2010, the Commissioner's designee entered the Default Re: Westernworld Financial Risk Management, LLC and Polaris International Insurance Company, Ltd.

10. On March 3, 2010, the Department sent the Notice of Entry of Default Re: Westernworld Financial Risk Management, LLC and Polaris International Insurance Company, Ltd. to all Respondents.

FINDING OF FACTS

Having reviewed the complete record in these proceedings, the Commissioner hereby adopts the following Findings of Fact:

1. On or about September 18, 2007, the Department received a complaint from Walt Anseth (Anseth) of the Montana Department of Agriculture (Agriculture) on behalf of certain Montana grain farmers. The complaint alleged that Olson Trading Company (Olson) was required to purchase a surety bond in favor of Agriculture for activity as a commodity warehouse dealer for each of the Montana grain farmers who stored grain with Olson. Olson did purchase a surety bond through Montana insurance producer Lyle DeShaw (DeShaw) of the DeShaw Agency in Plentywood, Montana. However, when a claim was made against the bond in August of 2006, no bond existed.

2. In or near September of 2004, DeShaw told Olson he could not obtain a surety bond for Olson through DeShaw's normal appointments. DeShaw was sent to Northstar Insurance Group, LLC (Northstar) by his contacts at Montana Farmers Union Insurance Agency,

Inc. (MFUIA). Northstar indicated to DeShaw it could obtain the requisite surety bond through its contacts at LeBaron and Carroll, CDI (LeBaron).

3. LeBaron contacted Westernworld Financial Risk Management, LLC (Westernworld) to obtain a surety policy. Westernworld referred the insurer, Polaris International Insurance Company, Ltd. (Polaris), to LeBaron which then referred the insurer to Northstar.

4. Olson provided a business check to DeShaw made out to Northstar, dated September 17, 2004, for the purchase of the surety bond. Northstar retained its commission from Olson's \$1,080 premium payment and forwarded a check in the amount of \$756 to Westernworld. DeShaw also received a commission for this sale.

5. Westernworld sent Olson a surety bond from Polaris, indicating on the policy that Polaris could be contacted by mail sent in care of Westernworld. DeShaw signed the declarations page from Polaris. Westernworld's representative, Ed Benton (Benton) received and cashed the first premium check from Northstar.

6. In an email dated December 13, 2005, DeShaw and LeBaron's employee Beverly Ellison (Ellison) discussed the renewal of Olson's surety bond. Then a check was deposited into Northstar's bank account from Olson for \$1,080 on or about March 9, 2006. There was no concomitant debit to Northstar's account indicating any premium was issued to Westernworld, Polaris or LeBaron.

7. In a document dated August 8, 2006, Agriculture entered into a "Voluntary Cessation of Commodity Dealer License" with Olson. Then Agriculture made a claim on the Polaris bond because Olson had gone out of business still owing the grain farmers for the grain purchased by Olson. Agriculture made the claim on the bond to LeBaron. LeBaron then

discovered the premium payment sent by Olson had not been forwarded to Polaris or Westernworld.

8. After Agriculture's August 2006 claim, Northstar issued a check for the \$1,080.00 payable to Olson. This check was sent to DeShaw who held the check until late 2008.

9. LeBaron paid the claim from Agriculture with its errors and omissions coverage. The check was received by Agriculture on or about May 13, 2008.

10. DeShaw is a properly licensed, Montana insurance agent affiliated with the DeShaw Agency authorized to sell property and casualty, and vehicle lines of insurance. The DeShaw Agency is a properly licensed, Montana insurance agency. DeShaw is not appointed with Polaris.

11. MFUIA is a duly licensed, Montana insurance agency. MFUIA is wholly owned by Farmers Union Mutual Insurance Company (FUMIC). MFUIA is not appointed with Polaris. DeShaw is not affiliated with MFUIA.

12. Northstar is a properly licensed Montana insurance agency organized under Arizona law. FUMIC owns 49% of Northstar. DeShaw was not affiliated with Northstar at the time the Olson surety policy was purchased. Northstar is not appointed with Polaris. Northstar is not affiliated with MFUIA, but they have common management.

13. LeBaron is a properly licensed, Montana insurance agency organized under Arizona law. DeShaw is not affiliated with LeBaron. LeBaron is not appointed with Polaris. LeBaron is not affiliated with MFUIA, but is part owner of Northstar.

14. Westernworld is not properly licensed to transact insurance in Montana. Westernworld is not authorized to transact insurance anywhere in the United States.

Westernworld appears to be a Managing General Agent (MGA) for Polaris pursuant to the

provisions of Mont. Code Ann. § 33-2-1501(10). However, Westernworld is not authorized to conduct business as an MGA pursuant to the requirements of Title 33, Chapter 2, Part 16, Mont. Code Ann.

15. MFUIA is not affiliated with Westernworld, nor is it contractually obligated to Westernworld. Northstar is not affiliated with Westernworld, nor is it contractually obligated to Westernworld. LeBaron is not affiliated with Westernworld, nor is it contractually obligated to Westernworld. DeShaw is not affiliated with Westernworld, nor is it contractually obligated to Westernworld.

16. Polaris does not have a certificate of authority to provide surety insurance in Montana. Polaris does not have a certificate of authority to provide any line of insurance in Montana. Polaris is not authorized to transact insurance anywhere in the United States. Northstar is not appointed with Polaris. DeShaw is not appointed with Polaris. LeBaron is not appointed with Polaris.

17. Respondents DeShaw, MFUIA, and LeBaron entered into consent agreements with the Department, resolving the regulatory claims as they related to these persons. Northstar terminated its corporate status with the Arizona Commission of Corporations, ending its business existence.

CONCLUSIONS OF LAW

Based upon the foregoing Findings of Fact, the Commissioner hereby makes the following Conclusions of Law:

1. The State Auditor is the Commissioner of Insurance pursuant to Mont. Code Ann. § 2-15-1903.

2. The Department is under the control and supervision of the Commissioner pursuant to Mont. Code Ann. § 33-1-301.
3. The Commissioner and Department have jurisdiction over this matter. Mont. Code Ann. § 33-1-311.
4. Pursuant to Mont. Code Ann. § 33-1-102, , a person or entity may not transact a business of insurance in Montana or a business relative to a subject resident, located or to be performed in Montana without complying with the Montana Insurance Code, Mont. Code Ann. § 33-1-101, *et seq.*
5. A person may not act as an insurer or transact insurance in Montana without first obtaining a certificate of authority pursuant to Mont. Code Ann. § 33-2-101.
6. A person may not sell, solicit, or negotiate insurance in Montana without first being licensed as an insurance producer pursuant to the provisions of Mont. Code Ann. § 33-17-101, *et seq.*
7. A person may not act as a managing general agent for an insurer without first being licensed as an insurance producer pursuant to Mont. Code Ann. § 33-2-1601.
8. An insurance producer may not transact insurance for an insurer without first being appointed to represent that insurer pursuant to Mont. Code Ann. § 33-17-236.
9. Respondent Polaris violated Mont. Code Ann. § 30-2-101, by transacting insurance when it provided an insurance contract to Olson in September 2004 without first obtaining a certificate of authority.
10. Westernworld violated Mont. Code Ann. § 33-2-1601, by acting as a managing general agent as defined at Mont. Code Ann. § 33-2-1501(10), without being properly licensed to do so.

11. Respondent Westernworld violated Mont. Code Ann. § 33-17-236, by implying an appointment with Polaris through its role in the sale of the surety bond to Olson when no such appointment existed.

12. Respondent Westernworld violated Mont. Code Ann. § 33-2-104, by soliciting, negotiating or effectuating insurance for Polaris, including collecting premiums, when Polaris was not authorized to transact insurance in Montana.

13. Respondents Westernworld and Polaris committed insurance fraud in violation of Mont. Code Ann. § 33-1-1202, by presenting or causing to be presented a materially false insurance declarations page to insurance producers DeShaw, Northstar and LeBaron for the purpose of obtaining money in the form of premium payments. The materially false information includes the assertion of fact that Polaris and/or Westernworld were authorized to transact insurance in Montana.

14. Respondent Westernworld committed insurance fraud in violation of Mont. Code Ann. § 33-1-1302, when in the course of offering and selling the surety bond to Olson, it misrepresented the material fact that it was authorized to transact insurance on behalf of Polaris with reckless indifference as to whether that fact was true and with the intention of causing another person (Olson) to rely on the misrepresentation resulting in detriment to Olson.

15. Pursuant to Mont. Code Ann. § 33-1-317, the Commissioner may impose a fine of \$25,000 upon a person for a violation of the Montana Insurance Code or a regulation promulgated thereunder, except that a fine imposed upon an insurance producer may not exceed \$5,000 per violation.

ORDER


Based on the foregoing Findings of Fact and Conclusions of Law, the Commissioner hereby orders following:

1. The Department's motion for entry of a final agency decision and order by default against Respondents Westernworld and Polaris is granted. Mont. Code Ann. § 2-4-603; Mont. Admin. R. 6.2.101 and 1.3.214.
2. The Consent Agreements between the Department and Respondents Lyle Deshaw and Deshaw Insurance Agency, Montana Farmers Union Insurance Agency, and Lebaron & Carroll, CDI, attached hereto as Exhibits A, B, and C, are adopted as if set forth fully herein.
3. Respondents Westernworld and Polaris are ordered to cease and desist their actions in violation of the Montana Insurance Code.
4. Respondent Westernworld is ordered to pay a fine of \$5,000 for each of the six identifiable violations of the Montana Insurance Code, totaling \$30,000.
5. Respondent Polaris is ordered to pay a fine of \$5,000 for each of the two identifiable violations of the Montana Insurance Code, totaling \$10,000.

NOTICE OF OPPORTUNITY FOR JUDICIAL REVIEW

Respondents are hereby notified of their right to request judicial review of this Order by filing a petition for judicial review within 30 days of service of this Order with the district court in Lewis and Clark County, Montana, as provided in Mont. Code Ann. §§ 2-4-702 and 33-1-711.

DATED this 29th day of April, 2010.



MONICA J. LINDEEN
Commissioner of Securities and Insurance
Montana State Auditor

CERTIFICATE OF SERVICE

This is to certify that on this 30th day of April, 2010, a copy of the foregoing was served upon the following persons by hand delivery or by depositing a copy in the U.S. Mail, postage prepaid, addressed to:

Roberta Cross Guns
State Auditor's Office
840 Helena Avenue
Helena, MT 59601

James R. Halverson
Attorney at Law
Halverson & Gilbert, PC
PO Box 80470
Billings, MT 59108-0470

Elizabeth O'Halloran
Attorney at Law
Milodragovich, Dale, Steinbrenner & Nygren
PO Box 4947
Missoula, MT 59806

Robert Carlson
Attorney at Law
Corette Pohlman & Kebe
PO Box 509
Butte, MT 59703-0509

Westernworld Financial Risk Management
2118 Central SE
Albuquerque, NM 87106

Polaris International Insurance Company, LTD.
2118 Central SE
Albuquerque, NM 87106



Montana State Auditor's Office

Exhibit A

BEFORE THE STATE AUDITOR, EX-OFFICIO COMMISSIONER OF INSURANCE
FOR MONTANA

IN THE MATTER OF:

MONTANA FARMERS UNION
INSURANCE AGENCY, INC.
300 River Drive North
Great Falls, MT 59403

NORTHSTAR INSURANCE GROUP,
LLC
300 River Drive North
Great Falls, MT 59403

LEBARON & CARROLL, CDI
1350 East Southern
Mesa, AZ 85204

WESTERNWORLD FINANCIAL RISK
MANAGEMENT, LLC, POLARIS
INTERNATIONAL INSURANCE
COMPANY LTD
2118 Central SE, #116
Albuquerque, NM 87106

DESHAW INSURANCE AGENCY
LYLE DESHAW, individually and in his
capacity as an insurance producer and
agency

JOHN or JANE DOES 1-5,
Respondents.

CASE NO.: INS-2008-27

CONSENT AGREEMENT
RE: DESHAW AND DESHAW AGENCY

This Consent Agreement, dated this 20th day of August, 2009, between the Montana Insurance Department ("Department"), acting pursuant to the authority of the Insurance Code, § 33-1-101 *et. seq.*, and § 2-4-603 Montana Code Annotated; and Respondent DESHAW INSURANCE AGENCY and LYLE DESHAW (hereinafter collectively referred to as "DeShaw")

is entered to fully and finally resolve the administrative proceeding between the undersigned parties.

RECITALS

WHEREAS, the Department issued a Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing (Action) on or about December 4, 2008, alleging violations of the Montana Insurance Code (Action attached hereto as Exhibit A);

WHEREAS, the Department and DeShaw agree that the parties' best interests would be served by dismissing the Action as it relates to DeShaw and entering into the following specific agreement and undertakings set forth below.

NOW THEREFORE, in consideration of the mutual undertakings established herein, the Department and DeShaw, as the parties hereto, enter into the following:

AGREEMENT

A. Without admitting the allegations and conclusions contained within the four corners of the Action, DeShaw hereby stipulates and consents to the following:

1. Respondent DeShaw shall remit \$250 to the State of Montana, due and payable within 10 days of the signing of this Agreement.
2. DeShaw shall comply with the Montana Insurance Code and any other applicable laws and regulations enforceable by the Department as to matters or practices specified in the Action.

B. The Commissioner agrees and stipulates to the following:

1. Upon signing this notarized consent agreement, the Commissioner will file with the hearing examiner the Consent Agreement in regard to all matters now pending before him and seek a dismissal of this case, with prejudice, with respect to the allegations against DeShaw.

C. The parties agree and stipulate as follows:

1. In the event it is determined, after notice and opportunity for hearing, that DeShaw has violated the terms of this consent agreement or violates the above specified provisions Montana Insurance Code during the one year period commencing with the date this consent agreement is executed by all parties, the State Auditor's Office shall seek a fine from DeShaw in the amount of \$5,000.
2. Any complaints brought to the Commissioner after the signing of this Agreement that contain allegations of illegal acts by DeShaw of a similar or the same nature as the allegations set forth in the Action that occurred prior to the consummation of this Agreement shall not result in further administrative, civil or criminal action or referral by the Commissioner.
3. This Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied. Pursuant to statutory authority, the Commissioner hereby agrees that the Commissioner will not initiate any civil, administrative, or criminal action against DeShaw regarding the allegations contained in the Action. The Commissioner will not refer the allegations or evidence underlying the allegations for criminal prosecution to any other agency. DeShaw fully and forever releases and discharges the Office of the State Auditor, the elected State Auditor and all State Auditor employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Action.

DATED this 20th day of August 2009.

MONTANA INSURANCE DEPARTMENT

By: Robert W. Moon
Robert Moon

Deputy Insurance Commissioner

DATED this 17 day of August 2009.

DESHAW INSURANCE AGENCY

By: Lyle DeShaw
Authorized Representative

SUBSCRIBED AND SWORN to before me this 17 day of August 2009.

Donna J. Evans
Donna J. Evans
Printed Name
Notary Public for the State of Montana
Residing at Plentywood, MT
My commission expires 9/4/2011

DATED this 17 day of August 2009.

Lyle DeShaw
LYLE DESHAW

SUBSCRIBED AND SWORN to before me this 17 day of August 2009.

Donna J. Evans
Donna J. Evans
Printed Name
Notary Public for the State of Montana
Residing at Plentywood, MT
My commission expires 9/4/2011

Exhibit B

BEFORE THE STATE AUDITOR, EX-OFFICIO COMMISSIONER OF INSURANCE
FOR MONTANA

IN THE MATTER OF:

CASE NO.: INS-2008-27

MONTANA FARMERS UNION
INSURANCE AGENCY, INC.
300 River Drive North
Great Falls, MT 59403

NORTHSTAR INSURANCE GROUP, LLC
300 River Drive North
Great Falls, MT 59403

LEBARON & CARROLL, CDI
1350 East Southern
Mesa, AZ 85204

WESTERNWORLD FINANCIAL RISK
MANAGEMENT, LLC, POLARIS
INTERNATIONAL INSURANCE
COMPANY, LTD
2118 Central SE, #116
Albuquerque, NM 87106

DESHAW INSURANCE AGENCY
LYLE DESHAW, individually and in his
capacity as an insurance producer and agency

JOHN or JANE DOES 1-5,

Respondents.

CONSENT AGREEMENT
RE: MONTANA FARMERS
UNION INSURANCE
AGENCY, INC.

RECITALS

WHEREAS, the Montana Insurance Department (MID) issued a Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing (Action) on or about December 4, 2008, in INS-2008-27, alleging violation of the Montana Insurance Code;

WHEREAS, the MID and Montana Farmers Union Insurance Agency (MFUIA) agree that the parties' best interests would be served by dismissing the Action as it relates to MFUIA and entering into the following specific agreement and undertakings set forth below.

AGREEMENT

Without admitting the allegations and conclusions contained within the four corners of the Action, which MFUIA expressly denies, the parties stipulate and agree as follows:

1. MFUIA shall ensure that any recommendations it makes to its clients, agents or customers regarding insurance companies with whom it or its parent company has a minority or majority ownership interest are well founded and include a review to confirm the recommended company is licensed to sell insurance in Montana or otherwise competent to conduct insurance business in Montana pursuant to the Montana Insurance Code.
2. MFUIA shall continue to comply with the Montana Insurance Code and any other applicable laws and regulations enforceable by the Department as to matters or practices specified in the Action.
3. The Montana Insurance Department (MID) shall, upon signing this notarized consent agreement, file with the hearing examiner this Consent Agreement and seek a dismissal with prejudice of the allegations against MFUIA.

4. This Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied. Pursuant to statutory authority, the Commissioner hereby agrees that the Commissioner will not initiate any civil, administrative, or criminal action against MFUIA regarding the allegations contained in the Action. The Commissioner will not refer the allegations or evidence underlying the allegations for criminal prosecution to any other agency. MFUIA fully and forever releases and discharges the Office of the State Auditor, the elected State Auditor and all State Auditor employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Action.

DATED this 6 day of October, 2009.

MONTANA INSURANCE DEPARTMENT (MID)

By: Robert Moon
Robert Moon
Deputy Insurance Commissioner

DATED this 6 day of October, 2009.

MONTANA FARMERS UNION INSURANCE AGENCY

By: Robert L. Fields
Authorized Representative

SUBSCRIBED AND SWORN to before me this 6 day of OCTOBER, 2009.

Daria Sautter

(Signature of Notary Public)

DARIA SAUTTER

(Printed or Typed Name of Notary Public)

Notary Public for the State of MONTANA

Residing at: HELENA, MT

My commission expires: 4/14/2010

(SEAL)

Exhibit C

BEFORE THE STATE AUDITOR, EX-OFFICIO COMMISSIONER OF INSURANCE
FOR MONTANA

IN THE MATTER OF:

MONTANA FARMERS UNION
INSURANCE AGENCY, INC.
300 River Drive North
Great Falls, MT 59403

NORTHSTAR INSURANCE GROUP,
LLC
300 River Drive North
Great Falls, MT 59403

LEBARON & CARROLL, CDI
1350 East Southern
Mesa, AZ 85204

WESTERNWORLD FINANCIAL RISK
MANAGEMENT, LLC, POLARIS
INTERNATIONAL INSURANCE
COMPANY LTD
2118 Central SE, #116
Albuquerque, NM 87106

DESHAW INSURANCE AGENCY
LYLE DESHAW, individually and in his
capacity as an insurance producer and
agency

JOHN or JANE DOES 1-5,
Respondents.

CASE NO.: INS-2008-27

CONSENT AGREEMENT
RE: LEBARON & CARROLL, CDI

Consent Agreement dated this 1st ^{October} day of ~~July~~, 2009, between the Montana Insurance
Department ("Department"), acting pursuant to the authority of the Insurance Code, § 33-1-101
et. seq., and § 2-4-603 Montana Code Annotated; and Respondent LEBARON & CARROL, CDI
(LeBaron).

RECITALS

WHEREAS, the Department issued a Notice of Proposed Agency Disciplinary Action and Opportunity for Hearing (Action) on or about December 4, 2008, alleging violations of the Montana Insurance Code (Action attached hereto as Exhibit A);

WHEREAS, the Department and LeBaron agree that the parties' best interests would be served by dismissing the Action as it relates to LeBaron and entering into the following specific agreement and undertakings set forth below.

NOW THEREFORE, in consideration of the mutual undertakings established herein, the Department and LeBaron, as the parties hereto, enter into the following:

AGREEMENT

A. Without admitting the allegations and conclusions contained within the four corners of the Action, LeBaron hereby stipulates and consents to the following:

1. Respondent LeBaron shall pay a fine of \$2,500 to the State of Montana, due and payable on signing this agreement;
2. LeBaron shall comply with the Montana Insurance Code and any other applicable laws and regulations enforceable by the Department as to matters or practices specified in the Action.

B. The Commissioner agrees and stipulates to the following:

1. Upon signing this notarized consent agreement, the Commissioner will file with the hearing examiner the Consent Agreement in regard to all matters now pending before him and seek a dismissal of this case, with prejudice, with respect to the allegations against LeBaron.

C. The parties agree and stipulate as follows:

1. In the event LeBaron violates the terms of this consent agreement or violates the above specified provisions Montana Insurance Code during the one year period commencing

with the date this consent agreement is executed by all parties, the State Auditor's Office shall seek a fine from LeBaron in the amount of \$5,000.

2. Any complaints brought to the Commissioner after the signing of this Agreement that contain allegations of illegal acts by LeBaron of a similar or the same nature as the allegations set forth in the Action that occurred prior to the consummation of this Agreement shall not result in further administrative, civil or criminal action or referral by the Commissioner.

3. This Consent Agreement constitutes the entire agreement between the parties, there being no other promises or agreements, either express or implied. Pursuant to statutory authority, the Commissioner hereby agrees that the Commissioner will not initiate any civil, administrative, or criminal action against LeBaron regarding the allegations contained in the Action. The Commissioner will not refer the allegations or evidence underlying the allegations for criminal prosecution to any other agency. LeBaron fully and forever releases and discharges the Office of the State Auditor, the elected State Auditor and all State Auditor employees from any and all actions, claims, causes of action, demands, or expenses for damages or injuries that may arise from the allegations underlying this Agreement, whether asserted or unasserted, known or unknown, foreseen or unforeseen, arising out of the Action.

DATED this 6 day of October 2009.

MONTANA INSURANCE DEPARTMENT

By: Robert Moon
Robert Moon

Deputy Insurance Commissioner

DATED this 15 day of October 2009.

LEBARON & CARROLL, CDI

By: [Signature]

Authorized Representative

SUBSCRIBED AND SWORN to before me this 1 day of October 2009.

Joann Mannino

Joann Mannino

Printed Name

Notary Public for the State of ARIZONA

Residing at MESA, AZ

My commission expires 2-27-2012

